Ohio Rail Development Commission

50 West Broad Street, Suite 1510, Columbus, Ohio 43215
614-644-0306 (telephone) • 614-728-4520 (fax) • www.dot.state.oh.us/ohiorail

November 2, 2006

Dear Commissioners:

Briefing materials for the **Thursday, November 9, 2006** Commission meeting are enclosed. You will find the minutes of the September meeting posted on ORDC's website at www.dot.state.oh.us/ohiorail.

The meeting will be held in the Vern Riffe Center, 31st floor, South B&C, beginning at 10:00 a.m.

If you haven't already done so, please contact Wende Jourdan to confirm your attendance. You may reach her at 614/728-9497 (telephone) or at wende.jourdan@dot.state.oh.us. We look forward to seeing you at the meeting.

Sincerely,

James E. Betts
Chair

enclosures

THE OHIO RAIL DEVELOPMENT COMMISSION
MEETING AGENDA

Thursday, November 9, 2006 @ 10:00 a.m.

Vern Riffe Center, 77 South High Street, 31st Floor
Columbus, Ohio

CALL TO ORDER – James E. Betts, Chairman
- Welcome
- Roll Call
- Approval of Minutes from September Meeting

EXECUTIVE DIRECTOR / FINANCE REPORT – Matt Dietrich

UPDATE ON LEGISLATIVE ISSUES – Chris Vineis

PROJECTS FOR APPROVAL
- Resolution 06-13: Warrenton River Terminal – Lou Jannazo
- Resolution 06-14: Indiana Eastern Railroad Loan – Lou Jannazo
- Resolution 06-15: Ohio Central / Mt. Vernon Tie Replacement – Lou Jannazo

APPROVED PROJECT BRIEFINGS
- Engage Public Affairs – Matt Dietrich
- Medina County Loan – Matt Dietrich

EXECUTIVE SESSION for consideration of permanent Executive Director – Jim Betts

OLD BUSINESS

NEW BUSINESS

PUBLIC COMMENT

ADJOURN

MEMORANDUM
November 9, 2006

TO: ORDC Commissioners

FROM: Matthew Dietrich

SUBJECT: Executive Director / Finance Report

This document reflects the accomplishments and highlights of the Ohio Rail Development Commission since September 14, 2006.

Safety

- ORDC has received an acceptance letter from the Marion County Engineer's for the ORDC commitment to build a rail grade separation in Marion County.
- ORDC has received an acceptance letter from CSX for its proposed swap yard in Northwest Ohio.

Freight

- CSX Parsons Yard Intermodal Project was presented to the Transportation Review and Advisory Council (TRAC) as part of the Central Ohio presentation by the Mid-Ohio Regional Planning Commission and the Columbus Chamber. CSX provided a tour of the CSX Buckeye Yard Facility for City of Columbus & Columbus Chamber Officials to show the workings of an intermodal yard and its effects on the surrounding area. The city officials were very positive with regard to the project.
- Staff attended a meeting for the Lake Erie Ferry Crossing Project advocated by the Village of Grand River and Lake County. While primarily a short-sea shipping project, ORDC staff has been interested in potential use of the CSX rail line into Grand River. This is the same line that ORDC has provided grant assistance to Ohio Central for the past two years to lease the line in the hopes of developing business.
- The Ohio Central Railroad has submitted a request for the State Capital Budget for rehabilitation funds on the Mount Vernon Line in Licking and Knox Counties. At the request of the legislative representatives of the area, the ORDC, ODOD and ODOT are evaluating the proposed project using existing program criteria. Staff has hi-railed the line with the Ohio Central and has also evaluated the potential of crossing closures on the line. Staff will be meeting with the railroad, shippers and local governments Capital Budget Request by Ohio Central

Passenger

- Ohio Hub Economic Impact Study Community Meetings have been held in Middletown, Cincinnati and Toledo and upcoming meetings are scheduled in Columbus and Cleveland. Final study deliverables from GEM should be available early in 2007. TEMS study deliverables should be completed before the end of the year.

- TEMS is focused on completing the operating plan, capital cost estimates, ridership and revenue forecasts, operating ratios, economic and financial analysis for the new routes, as well as the system as a whole. The revised draft of the Ohio Hub System Plan will be available for staff review in November. A coordination meeting with Indiana DOT and Michigan DOT needs to be scheduled.
- ORDC is currently in discussions with Toledo and Cincinnati area transportation and planning agencies to partner to plan for the land use and development surrounding potential Ohio Hub stations to preserve the opportunity to capture potential station area joint development. Once these projects advance to the contract level they will be presented to the Commission as briefings.

Finance and Administration

- Submitted FY 2008-2009 Budget Documents to the Office of Budget and Management. To date, have not received any feedback.
- Staff is working with legal counsel on Honda Marysville documents for the transfer of the ownership of the rail yard and release of the easement. This is the project that was approved by the Commission at the July 20, 2006 meeting.
- Staff hopes to close the Shenandoah Valley Reality loan before the end of the fiscal year.
- Secured Governor's Deeds for Ohio Southern, waiting on recording confirmation.
- R/W Specialists has been contracted in the amount of $10,000 to provide an appraisal of the state-owned Glass Rock branch of the Ohio Southern line. Staff anticipates a report by the end of the calendar year.
- I am meeting with the Ohio Association of Regional Commissions (OARC) on November 14, 2006 to discuss the idea of increasing ORDC partnerships/participation with the Metropolitan Planning Organizations and Councils of Government. One of the agenda items in ORDC's participation in an Ohio "Freight Summit".
- Financial Statements prepared for November 2006.
- For FY 2007, ORDC collected a total of $277,409.52 and has expended $104,147.86 through November 1, 2006.
- As a follow-up to the Commission retreat, please find attached an example of how the ORDC has used a programmatic approach to address rehabilitation projects in the past. If ORDC were to switch to a single application/approval window for rehabilitation projects, this spreadsheet is a good representation on how those projects would be evaluated.

OHIO RAIL DEVELOPMENT COMMISSION: November 9, 2006 Finance Report

GENERAL REVENUE FUND (GRF) APPROPRIATION AUTHORITY
November 2006 - Fiscal Year 2007

GRF APPROPRIATION AVAILABLE FOR PROJECTS AND PERSONAL SERVICE CONTRACTS		
GRF APPROPRIATION FOR PROJECTS		**1,700,000**
LESS: PROJECTS ENCUMBERED		
LESS: PROJECTS APPROVED BUT NOT ENCUMBERED	86,510	
City of Lima - Greater Ohio Ethanol	200,000	
Coshocton Ethanol, LLC	250,000	
Farmers Ethanol	200,000	
Crane Plastics	80,000	
TOTAL	*816,510*	*-816,510*
PROPOSED GRF COMMITMENTS FOR FY 2007		
Ohio Central - Mt Vernon Tie Replacement	200,000	
TOTAL	*200,000*	*-200,000*
BALANCE OF GRF APPROPRIATION FOR PROJECTS		***683,490***
GRF APPROPRIATION FOR PERSONAL SERVICE CONTRACTS		**75,000**
GRF COMMITMENTS FOR FY 2007 TO DATE	77,293	
Engage Public Affairs	8,360	
TOTAL	*85,653*	*-85,653*
BALANCE OF GRF APPROPRIATION FOR PERSONAL SERVICE CONTRACTS		***-10,653***
RAIL TRANSLOAD FUNDS AVAILABLE FOR FY 2007		**400,000**
Warrenton River Terminal	200,000	
Total	*200,000*	*-200,000*
BALANCE OF TRANSLOAD FUNDS FOR PROJECTS		*200,000*
FUND 3B9 (FEDERAL) AVAILABLE FOR FY 2007		**4**
RAIL FUND 4N4 - REVOLVING LOAN FUND		**5,596,251**
LESS: OPEN ENCUMBRANCES	833,510	
LESS: PANHANDLE RESERVE FUND	764,400	
TOTAL	*1,597,910*	*-1,597,910*
FISCAL YEAR 2007 APPROPRIATION		**2,111,500**
LESS: PAYROLL FROM LOAN AND LICENSE FEES (Budgeted)	132,218	
LESS: OPEN ENCUMBRANCES FY 2007	6,556	
LESS: PROJECTS APPROVED BUT NOT ENCUMBERED		
Farmers Ethanol	500,000	
TOTAL	*638,774*	*-638,774*
Proposed 4N4 Commitments for FY 2007		
Warrenton River Terminal	200,000	
Indiana & Eastern Railroad	500,000	
Medina County	81,375	
TOTAL	*781,375*	*-781,375*
APPROPRIATION BALANCE OF FUND 4N4 AVAILABLE FOR PROJECTS		***691,351***
BALANCE OF FUND 4N4 AVAILABLEW/ CONTROLLING BOARD APPROVAL		***2,578,192***
TOTAL ORDC FUNDS AVAILABLE FOR PROJECTS - FY 2007		**1,449,845**

ORDC - Loan Payback (Active Loans)
November 1, 2006

	Loans	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	Application, Loan, Interest & Admin. Fees	Total Payments
FY01 Walton Agri-Service **	$460,551	$6,863						*$46,174*	*$506,725*
FY01 BG Foundation **	$115,000	$1,698						*$12,640*	*$127,640*
FY01 Graves Lumber **	$26,000	$951						*$4,110*	*$30,110*
FY02 W&LE (Nickles Bakery) *	$265,500	$28,234						***$27,254***	***$292,754***
FY02 City of Jackson (Warehouse)*	$143,599	$15,660						***$16,989***	***$160,588***
FY02 City of Jackson (Rehab)*	$123,501	$17,469						***$21,719***	***$145,220***
FY03 Cloverleaf Cold Storage *	$328,000	$68,245	$33,662					***$14,900***	***$342,900***
FY03 Portage Cty Solid Wst Mgmt. *	$80,000	$16,206	$16,495	$16,495	$16,495	$9,622		***$3,279***	***$83,279***
FY04 Ann Arbor Railroad *	$768,736	$162,274	$162,274	$81,137				***$42,295***	***$811,031***
FY04 Columbiana County Port Authority *	$2,048,047	$170,671	$418,172	$426,736	$430,072	$433,408	$216,704	***$69,216***	***$2,117,263***
FY04 W&LE (Valley Line)*	$400,000	$10,680	$10,680	$408,900				***$57,277***	***$457,277***
FY04 Maumee & Western *	$199,088	$28,191	$29,392	$29,502	$29,502	$29,502	$17,209	***$8,460***	***$207,548***
FY05 Seneca-Sandusky-Tiffin Port Auth*	$290,000	$60,681	$61,217	$61,217	$61,217	$10,203		***$16,267***	***$306,267***
FY05 Ashland RW (Mansfield Yard Rehab)*	$500,000	$106,935	$106,935	$106,935	$106,935	$8,911		***$41,285***	***$541,285***
FY05 I&O (Fulton County Processing, Ltd)*	$242,335	$52,681	$52,681	$52,681	$52,681	$8,780		***$24,266***	***$266,601***
FY06 Portage County Rail Line (Smurfit Stone)*	$20,000	$4,348	$4,348	$4,348	$4,348	$2,174		***$2,489***	***$22,489***
FY06 Cleveland Commercial Railroad*	$16,421	$3,405	$3,574	$3,574	$3,574	$2,085		***$1,979***	***$18,400***
FY06 Shenandoah Valley Realty ***	$650,000	$97,500	$140,978	$144,637	$144,637	$144,637	$36,159	***$65,550***	***$715,550***
	$6,676,778	**$852,690**	**$1,040,408**	**$1,336,161**	**$849,460**	**$649,322**	**$270,073**	***$476,148***	***$7,152,926***

Loan Amount Received to Date: **$275,111**
Loan Balance Due: **$480,079**

* Loans Closed (Active)
** Loans Paid Off
***Loans in Process

OHIO RAIL DEVELOPMENT COMMISSION
APPROPRIATION LEDGER
For Month Ending October 31, 2006

FUND	SAC	FEDERAL STATE/OTHER	ORIGINAL APPROPRIATION	TRANSFERS	UNASSIGNED	ADJUSTED APPROPRIATION	OPEN ENCUMBRANCES	TOTAL DISBURSED	UNENCUMBERED BALANCE	PERCENT UNOBLIGATED	SAC DEFINITION
GRF	4FA5	STATE	850,000.00	0.00	0.00	850,000.00	56,510.00	0.00	793,490.00	93.35%	GRANT (Community/Railroad) - SUBSIDY
GRF	4FA7	STATE	850,000.00	0.00	0.00	850,000.00	30,000.00	0.00	820,000.00	96.47%	GRANT (Private Industry) - CAPITAL
GRF	4651	STATE	761,782.00	0.00	0.00	761,782.00	61,758.31	220,889.53	479,134.16	62.90%	PAYROLL / PERSONAL SERVICE
GRF	4652	STATE	235,718.00	0.00	0.00	235,718.00	43,626.40	76,539.61	115,551.99	49.02%	OFFICE EXPENSE
GRF	4653	STATE	2,500.00	0.00	0.00	2,500.00	0.00	388.56	2,111.44	84.46%	OFFICE EQUIPMENT
GRF	4665	STATE	789,600.00	0.00	0.00	789,600.00	189,900.00	0.00	599,700.00	75.95%	ODOT GRADE SEPARATION
	FUND TOTAL		**3,489,600.00**	**0.00**	**0.00**	**3,489,600.00**	**381,794.71**	**297,817.70**	**2,809,987.59**	**80.52%**	**FUND TOTAL - GRF**
002	4FN7	FEDERAL	1,515,375.00	3,847,924.28	0.00	5,363,299.28	256,987.12	27,988.11	5,078,324.05	94.69%	GRADE CROSSING PAVEMENT
002	4FP1	FEDERAL	484,625.00	7,000.00	0.00	491,625.00	0.00	173,193.66	318,431.34	64.77%	GRADE CROSSING SAFETY'S PAYROLL
002	4FP7	FEDERAL	11,000,000.00	5,851,309.97	0.00	16,851,309.97	5,764,068.71	347,232.57	10,740,008.69	63.73%	GRADE CROSSING DEVICES
	FUND TOTAL		**13,000,000.00**	**9,706,234.25**	**0.00**	**22,706,234.25**	**6,021,055.83**	**548,414.34**	**16,136,764.08**	**71.07%**	**FUND TOTAL - 002**
3B9	8FB5	FEDERAL	10,000.00	0.00	0.00	10,000.00	0.00	0.00	10,000.00	100.00%	FEDERAL RAIL - SUBSIDY
	FUND TOTAL		**10,000.00**	**0.00**	**0.00**	**10,000.00**	**0.00**	**0.00**	**10,000.00**	**100.00%**	**FUND TOTAL - 3B9**
4N4	6FC9	LOCAL	1,972,782.00	0.00	0.00	1,972,782.00	6,556.26	0.00	1,966,225.74	99.67%	RAIL TRAN - LOANS
4N4	6FD9	STATE	764,400.00	0.00	0.00	764,400.00	0.00	0.00	764,400.00	100.00%	PANHANDLE LEASE PAYMENT
4N4	6111	LOCAL	132,218.00	0.00	0.00	132,218.00	0.00	57,307.07	74,910.93	56.66%	PAYROLL(PROPERTY MGNT)
4N4	6112	LOCAL	6,500.00	0.00	0.00	6,500.00	0.00	2,170.00	4,330.00	66.62%	OHIO HUB WORKSHOP
	FUND TOTAL		**2,875,900.00**	**0.00**	**0.00**	**2,875,900.00**	**6,556.26**	**59,477.07**	**2,809,866.67**	**97.70%**	**TOTAL - OTHER ASSISTANCE**
	GRAND TOTAL		**19,375,500.00**	**9,706,234.25**	**0.00**	**29,081,734.25**	**6,409,406.80**	**905,709.11**	**21,766,618.34**	**74.85%**	

PROJECT INPUTS SUMMARY

November 8, 2004

Project Name	Benefits/Narrative	Benefits/Quantified	Physical Need	Economic Need	Ave. Profit/Mile Last 3 Years	Ave. Maint./Mile Last 3 Years	Total Cost	Local Public Funds	Local Private Funds	Requested ORDC Funds	Staff Recommendations
RJ Corman St. Marys Rehab	Precision Strip expanding rail use on Minster Branch; elevator investing in high speed unloading.	Rail users employ 1,161; maintaining 25 mph speed saves $82,000/yr in maint., $121,000/yr in crew costs, and $25,000in fuel costs.	Immediate.	High	Profits/Mile Lower Than Maintenance/Mi.	Maint./Mile Higher Than Profit/Mile	$1,283,360 (Phase I Starts 10/04 with $259,722 in ORDC **$$ $296,174 (05)**	None	$140,000 in crossing work & $50,000 in Ties by RJC in 2004 **$50,000 (05)**	$427,666 (04) **$246,174 (05)** $TBD (06)	Pursue creative financing options before reconsidering grant options
US Rail, City of Jackson Line (formerly Great Miami) Ditching	Helps implement long term track improvement plan; helps new RR operator service increasing traffic.	Rail dependent shippers employ about 500.	Immediate	High	Not Applicable	Not Applicable	$96,352	None	$56,306	$50,000	Provide $50,000 grant in Spring, 05 if funds available.
Portage County Rehabilitation	Preserves rail service to Smurfit Stone on marginal rail line.	Preserves 7 miles of track between Kent and Ravenna; preserves possible future passenger route.	Immediate	High	Profits/Mile Lower Than Maintenance/Mi	Maint./Mile Higher Than Profit/Mile	$60,000	$10,000	$0	$50,000	Provide $30,000 grant and $20,000 loan to County (to be repaid through shipper surcharges) now.
Maumee & Western Rehab	Reduces derailments; better service Defiance to Napolean and Antwerp to Cecil; serves four industrial parks.	Improvements serve users generating 84% of traffic; helps serve potential new rail business of 960 cars; saves $56,600/yr in derailment costs; rail users employ 5,800 & are expanding.	Immediate	High	Profits/Mile Lower Than Maintenance/Mi	Maint./Mile Higher Than Profit/Mile	$225,364 (Napoleon - Defiance) $64,622 (Antwerp to Cecil) **$289,986 total**	None	$58,986	$231,000	Provide $75,000 grant in Spring 05 if funds available.
W&LE River Styx Bridge Repair	Gets rid of slow order; handle 286,000 lb cars; safety improved for RR and local citizens.	Key bridge to customers employing 4,762 on W&LE and 2,159 on ABC; over 22,000 cars annually.	Immediate	High	Profits/Mile Lower Than Maintenance/Mi	Maint./Mile Higher Than Profit/Mile	$127,000	None	$85,000 (03) $25,000 (04) $30,000 (05)	$97,000 (05)	Provide $75,000 grant now.
City of Medina Rail Line Rehab (W&LE Service)	Prevents derailments; serves industrial park;.	Rail-dependent shippers employ 305; about 7,900 carloads/yr.; shippers have invested $27,000 in last 3 years.	Immediate	High	Profits/Mile Lower Than Maintenance/Mi	Maint./Mile Higher Than Profit/Mile	$710,323	$58,500 in crossing work	$93,037in stone for project	$558,286	Provide $150,000 grant now.
WESTCO Stoney Run Culvert (I&O Service)	Repair crossing structure on Detroit to Cincinnati Corridor.	65,000 to 75,000 rail cars per year now; carload # could be reduced if I&O reroutes trains via Wash.CH	Immediate/Short Term	High	Profits/Mile Lower Than Maintenance/Mi	Maint./Mile Higher Than Profit/Mile	$100,000	$20,000	$20,000	$60,000	Provide $40,000 grant now.
CCPA Culvert Repair, Columbiana	Repair CCPA culvert on Y&S line which caused flooding in Columbiana and compromises safety of line.	9 active rail shippers	Immediate	Immediate	Not Applicable	Not Applicable	$200,000	$100,000	$50,000	$50,000	Provide $40,000 grant if and when local matching funds raised in Spring 05 if funding available.
CCPA Emergency Repair Work	Help new Y&S operator start service; reduce derailments; improved service to shippers.	Eliminate six figure derailment expense; 9 active shippers	Immediate	High	Not Applicable	Not Applicable	$1,100,000	None	$950,000 (including repaying ORDC loan)	$150,000	Divert $317,000 in CCPA loan funds to project; provide $75,000 grant now.
Youngstown Belt Mahoning Bridge Repair/Ohio Works Indust. Park Lead Rehab.	Current highway project offers once in lifetime cost savings. Bridge critical to both Y&A and YB traffic. New rail to industrial park.	$1,300,000 bridge repair done for about $572,650. Helps retain over 300jobs; helps create 55 jobs.	Immediate	High	Profits/Mile Lower Than Maintenance/Mi	Maint./Mile Higher Than Profit/Mile	$572,650	Up to $100,000	Up to $385,000	$187,650	Provide $150,000 grant in Spring 05 if funds available
						Totals	$3,552,485			$1,680,120	$370,000 in grants now. $315,000 in grants in Spring 05 if funding available.

Proposed Resolution

Proposed Changes to ADA Regulations for Rail Station Platforms

WHEREAS, the members of the American Association of State Highway and Transportation Officials (AASHTO) are responsible for providing passenger rail transportation for the citizens of their states; and

WHEREAS, the members of AASHTO are committed to increased passenger rail transportation in the future; and

WHEREAS, the Northeast Corridor's passenger rail services have developed using high-level platforms to meet the very high passenger counts; and at least one track has been preserved, where required, for Strategic Rail Network (STACNET) clearances; and

WHEREAS, the passenger rail system throughout the remainder of the United States has developed on right-of-way and tracked owned by freight railroad companies using low-level platforms; and would be severely hampered if required to add gauntlet and other tracks necessary to accommodate freight traffic and STRACNET; and

WHEREAS, many of the stations on the rail network are in historic buildings and are of a limited size that meet the needs of the host communities; and

WHEREAS, modifications to existing low-level platforms are not likely to be physically or operationally feasible and, if made, would frequently interfere with freight movements; and

WHEREAS, the Federal Transit Administration is currently conducting a study of safety –related issues with high-level platforms; and

WHEREAS, the users of passenger rail transportation come from all segments of society and have differing mobility needs; and

WHEREAS, the state-supported passenger rail transportation efforts have developed and implemented various measures to safely, economically and effectively meet the mobility needs of all their riders;

NOW THEREFORE Be it resolved that , AASHTO requests that the USDOT maintain its long-standing guidance for rail platform heights allowing states to meet mobility needs of all their passengers safely and economically and discontinue its current rule-making on platform heights ([Docket OST-2006-23985]RIN 2105-AD54.)

AMERICAN ASSOCIATION OF
STATE HIGHWAY AND TRANSPORTATION OFFICIALS

STANDING COMMITTEE ON RAIL TRANSPORTATION

OFFICIAL BALLOT

X I **CONCUR** with the attached Proposed Resolution on Proposed Changes to ADA Regulations for Rail Station Platforms.

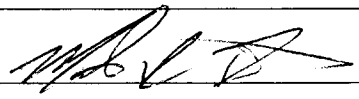
_____ I **DO NOT CONCUR** with the attached Proposed Resolution on Proposed Changes to ADA Regulations for Rail Station Platforms.

_____

_____

_____

_____

Signature	
Printed Name	MATTHEW R. DIETRICH
Member State	Ohio
Date	10-3-06

Please return the signed Ballot by **October 6, 2006** by e-mail to aryan@aashto.org or by fax to 202-624-5806. (attn: Andrea Ryan)

9/29/06

10

OMEGA
OHIO MID-EASTERN GOVERNMENTS ASSOCIATION

RECEIVED
06 AUG 10 PM 1:13

August 9, 2006

Mr. James E. Seney, Executive Director
Ohio Rail Development Commissioner
50 West Broad Street – Suite 1510
Columbus, Ohio 43215

Dear Mr. Seney:

Good Morning! I write this letter for the purpose of thanking you and your quality staff members (Lou Jannazo, Susan Kirkland and Mike Forte) for the grant award of $165,700.00 to the City of East Palestine, Ohio for its West Street Bridge Project.

The OMEGA Board has made this East Palestine development its number one priority project within the entire region. Your grant award letter has been shared with my board, the Mayor of East Palestine, its City Council and the citizens of East Palestine. For your kindness, guidance and willingness to help, we thank you for making this project a reality.

We anticipate this project starting in August 2007 and completion within nine (9) to 12 months period of time. We will keep your office informed as the project progresses.

We appreciate all that you do for rail transportation and planning within the State of Ohio and look forward to seeing you in the near future.

Sincerely,

Ohio Mid-Eastern
Governments Association

Donald R. Myers
Executive Director

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DAVID L. HOBSON
7TH DISTRICT, OHIO

WASHINGTON OFFICE
2346 Rayburn House Office Building
Washington, DC 20515

(202) 225–4324

COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEES:
ENERGY AND WATER DEVELOPMENT
CHAIRMAN
DEFENSE

ASSISTANT MAJORITY WHIP

CONGRESS OF THE UNITED STATES
HOUSE OF REPRESENTATIVES

September 25, 2006

06 OCT 16 PM 12:30

James Seney
Executive Director
Ohio Rail Development Commission
50 W Broad St Suite 1510
Columbus, OH 43215-5909

Dear James:

Thank you for your letter in support of S. 3742, the Freight Rail Infrastructure Capacity Expansion Act of 2006. It was good to hear from you.

Senator Trent Lott introduced S. 3742, on July 26, 2006. S. 3742 would amend the Internal Revenue Code to allow: (1) a tax credit for 25% of the cost of new qualified freight rail infrastructure property and qualified locomotive property; and (2) a taxpayer election to expense the cost of qualified freight rail infrastructure property. Finally, the bill terminates this credit and expensing election after 2011. S. 3742 is pending in the Senate Committee on Finance, and there is no analogous bill currently pending in the House of Representatives, where I serve. However, please rest assured that should the full House vote on this issue, I will remember your support.

Again, thank you for being in touch. Please continue to let me know when I can be of assistance.

Sincerely,

Dave Hobson

DAVID L. HOBSON
Member of Congress

DLH:bd

SPRINGFIELD OFFICE
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LANCASTER OFFICE
212 South Broad Street
Room 55
Lancaster, OH 43130–4389

(740) 654–5149

ACCOMPLISHMENTS REPORT
PLANNING, PROJECT DEVELOPMENT, AND TRACK INSPECTION
September 7 to October 30, 2006

PLANNER
Don Damron

DEVELOPMENT SPECIALISTS
Lou Jannazo
Bev Lee

TRACK INSPECTION

- Hi-rail inspection of Ohio Central Newark to Mt. Vernon Line to help assess overall needs in response to expected application for funding.
- Hi-rail inspection of RJ Corman Tuscarawas County line in response to funding request.
- Hi-rail inspection of Indiana Eastern line for loan project to be presented at November meeting.

ADMINISTRATIVE

- Developed various reports and projected lists of projects for presentation at Commission Retreat.
- Helped prepare agendas and briefing packets for November 9, 2006 meeting.
- Developed grant agreements for projects approved at September meeting.
- Did OEPA and Ohio Taxation background checks on September grant recipients.
- Started revising tracking system for contract extensions and tax/environmental compliance.

TRAINING

- No activity.

FREIGHT PROJECT DEVELOPMENT AND IMPLEMENTATION

New Project Development/Continued Project Development

- Continued work and investigations into various ongoing spur project proposals including Paygro/Garrick Industries in South Charleston, Spartech Plastics in Greenville, Broin Ethanol in Leipsic, and others.
- Began investigations into new spur projects including stone terminals in Cleveland and Yorkville, a plastics plant in Findlay, and others.
- Continued coordinating with CSX and local officials on planned CSX "Swap Yard/Intermodal Terminal in northwest Ohio; ORDC committed to provide grade separation for project.
- Continued pursuing new project investigations for various transload projects including various transload ideas in Hamden (US Rail), a coal transload in Wellsville (Buckeye Industrial Mining), and other transloads such as Cemex cement transload in Fairborn, a rail, truck, river facility in Portsmouth (Conley "52" Terminal) and other transload projects. Began investigations into new stone transload projects in Cleveland and Yorkville.
- Developed the Indian Eastern Railroad Fernald line loan project, the Ohio Central emergency tie replacement grant for the Newark to Mt. Vernon line project and revised the Warrenton Terminal Bulk Transload project for the November Commission Meeting.
- Investigating potential Rehabilitation Program project for the WESTCO Sugar Creek Bridge replacement project in Fayette County.

PASSENGER PLANNING

Ohio Hub

- Continued developing project with Toledo MPO (TMACOG) to study various issues involving the future use of land around the Toledo Union Terminal. (Some local officials want to use land for bus maintenance facility.)
- Continued coordination with consultants working on the Economic Impacts study of the Ohio Hub; helped to set up and participated in meetings with local development officials in Middletown and Cincinnati.
- Continued work and coordination with other states and railroads on Ohio Hub Study.
- Continued work on the feasibility study for the Chicago - Ft. Wayne - Lima - Columbus – Pittsburgh/Detroit – Toledo – Columbus High Speed Rail corridors. Conducted progress report meeting with consultant team.
- Continued with various meetings and presentations on Ohio Hub plan.

Other Passenger Initiative

- Continued coordination with the MWRRI study effort.
- Attended meetings or otherwise kept abreast of passenger issues in across Ohio and nationally through participation in the States for Passenger Rail.
- Attended meetings on new effort to get commuter rail or light rail going between Lorain and Cleveland.
- Submitted Ohio ballot to AASHTO Standing Committee on Railroad Transportation (SCORT) opposing proposed new federal ADA rules on "level platforms" for intercity rail to USDOT.

OTHER PLANNING INITIATIVES

- Continued coordinating with ODOT on a new "Freight Railroad Bottleneck Study".
- Continued monitoring "Clean Diesel" issues as they might relate to Ohio railroads obtaining Congestion Mitigation & Air Quality (CMAQ) funding for a variety of clean diesel devices.
- Reviewed latest draft of the next generation "Rail Freight Bottom Line Report" and provided extensive comments to SCORT and consultant (Cambridge Systematics).
- Met with ODOT, FHWA, NOACA, the Village of Grand River, and a representative of a Danish ferry boat operator (Mols) to discuss Mols/Grand River concept of a Lake Erie Freight Ferry between Canada and the Fairport Harpor/Grand River area to complement (or supplant) current Cleveland Port Authority plans for a similar freight service with freight ferry service.

MISCELLANEOUS

- Continued investigations and coordination for a two mile NS exempt abandonment in Sheffield (Lorain County). Several groups interested in buying right-of-way for various purposes but NS rescinded its Notice of Abandonment. ORDC helping locals seek other means to buy NS property.

SAFETY

- Helped Safety Section develop Director's commitment to do grade separation project for CSX Block Swap/Intermodal Yard in northwest Ohio.
- Coordinated with Safety Section on crossing safety issue in Fernald on Indiana Eastern rail line.
- Evaluated RJC Tuscarawas County line for possible crossing closures but found none.

PROJECT BRIEFING:
EXPANSION OF WARRENTON DOCK TRANSLOAD FACILITY

October 25, 2006

Project Costs		Project Benefits
* ORDC Grant	$200,000	* Projected New 400,000 Ton Ohio Coal Move
* ORDC Loan	$200,000	* Expands Rail Capacity of Warrenton Terminal
		* Eliminates Bottleneck on W&LE River Line

INTRODUCTION

Warrenton River Terminal, Ltd. (WRT) requests $200,000 in Bulk Transload Program grant funding to install a new turnout and build 3,000 ft. of track at its rail – barge – truck transloading facility in Warrenton (Jefferson County at Rayland, just north of Martin's Ferry). WRT also requests a $200,000 loan for this track project. The proposed project will enable WRT to expand its operations and better serve Ohio's coal, power generating/ utility, and steel industries. The ORDC Staff requests that Commissioners empower the Acting Executive Director to set the terms of the loan in accordance with comparable ORDC loans done in the past.

BACKGROUND

ORDC Bulk Transload Program: In the last biennial budget bill (HB 66), the Ohio General Assembly created a new "Rail Transload Facilities" fund. The Ohio Rail Development Commission was provided with $500,000 to establish a demonstration program "to assist communities and railroads and other businesses to develop facilities that will enhance the ability of railroads to work with other transport modes to move bulk commodities more efficiently and safely." The ORDC Staff has been working on various projects across the state to utilize this new demonstration funding as a new "Bulk Transload Program". To date, ORDC has funded one project, a $100,000 grant to Jacobs Industries for a plastics transload in Walbridge (near Toledo).

In evaluating bulk transload projects, staff is using ORDC's normal project criteria for economic development including but not limited to job creation and enhancement, job retention, reduced transportation and business costs, etc. and is stressing the environmental impact of re-balancing truck and rail traffic, (e.g., replacing trucks with rail cars when rail cars are more effective thereby creating space on the highways for truck traffic which cannot be effectively handled by rail).

Warrenton Terminal Ltd.: WRT is a wholly owned 2nd tier subsidiary of FirstEnergy Corporation. It is, however, maintained as a separate business entity and must ensure its own profitability. WRT serves various FirstEnergy plants located along the Ohio River (W.H. Sammis Plant in Stratton - north of Steubenville in Jefferson County, D. Bruce Mansfield Plant in Pennsylvania, up the Ohio River from East Liverpool/ Columbiana County, and R.E. Burger Plant in Dilles Bottom, south of Bellaire in Belmont County). It also serves non-FirstEnergy power generating plants in Ohio and Pennsylvania.

WRT has Ohio River cells which can handle 12 to 16 barges at a time. It is located along the Wheeling & Lake Erie Railway's (W&LE) Bellaire to Mingo Junction "River Line". Road access is provided by SR 7. WRT operations take advantage of all three transportation options.

WRT's primary business is transloading and storing coal for utility customers. WRT handles between 1 and 2 million tons of coal annually. WRT also handles raw materials for the steel industry, dealing with various steel producers and brokers. Generally, WRT gets steel related materials in by barge for rail delivery. In addition, WRT handles urea for local customers generally bringing product in by barge for truck or rail delivery.

WRT transloads Powder River Basin (PRB) coal from rail to barge. WRT customers often use Ohio and/or Pennsylvania coal in conjunction with the low sulfur PRB coal to achieve overall compliance with air pollution regulations. The combined use of Ohio and western coal can help expand the market for Ohio coal. PRB coal comes into WRT in 120 car unit trains. Ohio coal is trucked or railed in. Final delivery to power plants is generally done by barge, but WRT can also arrange for it to be delivered by rail. The three FirstEnergy plants described herein, which use the WRT supplied coal are served by barges.

Rail Logistics at WRT: WRT has one long track on site with an unloading pit and load-out bins in the center. Therefore, when inbound trains of coal come in, WRT can only handle them in 37 car lots. The rest of the cars from unit trains must be stored on nearby W&LE tracks, i.e. a nearby passing siding, the Valley Line (which intersects with the River Line at Warrenton), or on the W&LE River Line itself. While WRT has a switch engine, it cannot go out on the W&LE mainline so W&LE crews are needed to hostel cars back and forth between W&LE storage areas and the WRT tracks. A diagram of WRT's track layout and the W&LE lines that serve the WRT is included herein as Exhibit "A".

The resulting rail logistics do not serve either W&LE or WRT well at all. WRT can now receive three unit trains of coal per week. This three train per week limit is necessary because WRT cannot guarantee its customers that it can unload or load a unit train of coal in one day. The reason is that WRT must sometimes wait on W&LE crews for moving cars. It now takes W&LE four separate switching moves to handle a unit train for

WRT. Because WRT needs to unload 37 cars between W&LE switch moves, W&LE crews cannot wait on site. When the W&LE crew is needed at WRT, it is sometimes engaged with other customers and the WRT switch is delayed. In effect, the extra W&LE switching required reduces the capacity of the WRT operations. Less capacity means less ability to handle coal from Ohio mines or anywhere else. WRT estimates that it could handle up to 6 unit trains per week of coal (a unit train a day) after the new track is built because only one extra W&LE switch will be needed. The added rail capacity at WRT could result in it handling significantly more Ohio coal.

For the W&LE, the constant switching moves in and out of WRT causes W&LE to shuffle cars around unnecessarily, fouling its own River Line, and negatively impacting its rail service to other customers such as Wheeling-Pitt Steel. W&LE serves Wheeling-Pitt plants along the River Line at Mingo Junction, Martins Ferry, and Yorkville and has various shuttle moves between plants as well as handling inbound and outbound materials. W&LE sometimes needs to move WRT cars parked on the River Line to another location such as the Valley Line just so it can get needed cars to and from Wheeling-Pitt. The unnecessary fouling of the River Line with WRT traffic also impacts W&LE service to other of its customers including the Cardinal power plant.

New Rail Coal Business: WRT is working on developing new business to transload Ohio coal. In year one, up to 400,000 tons of Ohio coal would be transloaded with a potential increase to 600,000 tons per year in the second and third years. The Ohio coal will be railed into WRT and barged to its final destination. WRT is currently handling test coal for this move.

In 2010, when new, more stringent air quality standards take effect, more and more power plants in the Ohio Valley and elsewhere will have scrubbers making the higher sulfur, high BTU Ohio coal more attractive. WRT hopes to be in a position handle more Ohio coal as power plants make this adjustment.

PROJECT DESCRIPTION

To improve the rail logistics, WRT plans on building a new 3,000 ft. long rail spur to complement its existing, on site tracks. (See Exhibit "A".) With the new track in place, WRT will be able to store an entire unit train of coal on site for loading or unloading. One extra W&LE switch will still be needed, but service will be greatly improved, and there will be no cars stored on the River Line. A breakdown of project costs is included below:

WRT TRACK COSTS

	Clear Brush, Construct Roadbed	**$90,000**	
	#10 Turnout, complete	**$40,000**	
	3,000 Lineal ft. Track,		
132 lb. Rail	**$270,000**	**Total**	**$400,000**

WRT will construct the track using a contractor. WRT will own and maintain the track once it is completed.

This $400,000 project is planned as a first phase expansion. WRT hopes to add an additional 1,000 ft. of track in the future as a second phase. This second phase would eliminate altogether the need for extra W&LE switching.

WHY ORDC FUNDING IS NEEDED

ORDC has been working with WRT on the proposed project since April of 2005. The rail logistics problems at WRT were an issue for many years before that time. ORDC funding is needed to make the project viable enough to meet the WRT threshold for capital investment.

PROJECT BENEFITS

- Rail logistic improvements important for developing, new Ohio coal business.
- Improved rail logistics will enable WRT to handle up to six unit trains of coal per week, doubling its current unit train capacity.
- Improved rail logistics will eliminate a bottleneck for W&LE on its River Line.

OTHER CONTRIBUTIONS

Since ORDC began working with WRT on the rail expansion project, WRT has invested over $100,000 in increasing the speed of its coal loading/ unloading conveyors. WRT can now unload six to eight rail cars per hour. In addition, WRT has invested about $150,000 to repair three of its Ohio River docking cells. WRT will be improving four more cells in the future at a cost of an additional $200,000.

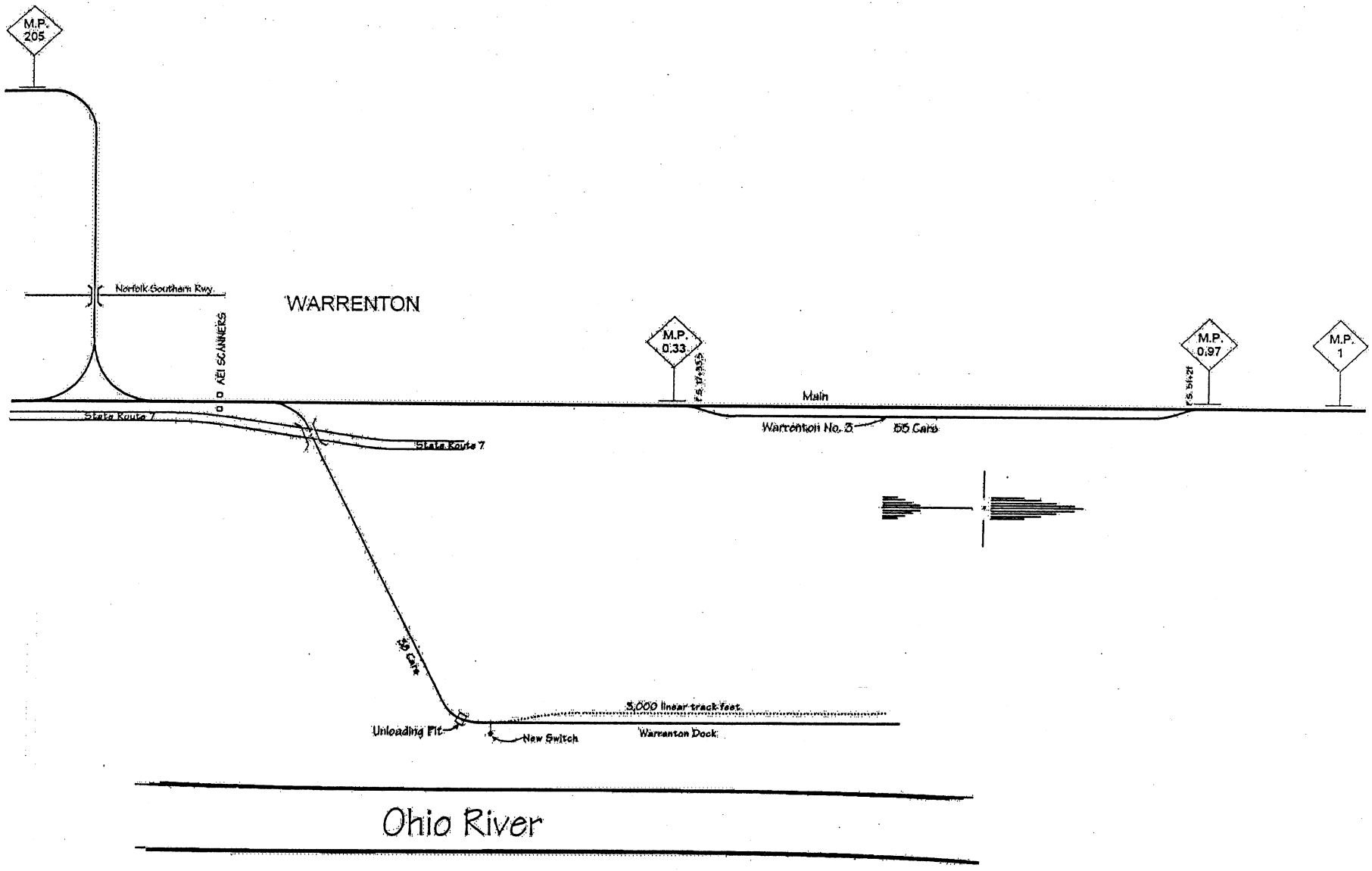
SPECIAL CONTINGENCIES

The WRT project must go before the State of Ohio Controlling Board for final approval before ORDC can expend any of its Bulk Transload Program funds for the project.

ORDC Staff requests that Commissioners empower the Acting Executive Director to set the final terms for the ORDC $200,000 loan in accordance with comparable ORDC loans done in the past.

w:WarrentonTerminalBriefing

"A"


M.P. 205
Norfolk Southern Rwy.
AEI SCANNERS
WARRENTON
M.P. 0.33
F.S. 37+35S
M.P. 0.97
F.S. 54+21
M.P. 1
Main
State Route 7
State Route 7
Warrenton No. 3
55 Cars
55 Cars
5,000 linear track feet
Unloading Pit
New Switch
Warrenton Dock
Ohio River

18

RESOLUTION 06-13

RE: WARRENTON RIVER TERMINAL, LTD TRANSLOAD FACILITY CONSTRUCTION LOAN & GRANT

A RESOLUTION DETERMINING THE APPROPRIATENESS OF ASSISTANCE PROPOSED TO BE PROVIDED TO THE WARRENTON RIVER TERMINAL, LTD UNDER CHAPTER 4981 OF THE OHIO REVISED CODE.

WHEREAS, this Commission as the Ohio Rail Development Commission ("ORDC") created by Chapter 4981 of the Ohio Revised Code, has the responsibility of reviewing and making recommendations to ORDC staff with respect to the assistance under Chapter 4981 of the Ohio Revised Code (the "Act") proposed to be provided; and

WHEREAS, the ORDC has under consideration the provision of assistance under the Act to the Warrenton River Terminal, Ltd. (the "Company"); and

WHEREAS, the ORDC staff has submitted to this ORDC a Request for Assistance submitted by the Company; the determination of the Executive Director of the ORDC and the facts upon which such determination is based, that the proposed assistance will conform to the requirements of the Act and the terms of the proposed assistance; and

WHEREAS, the ORDC has reviewed such submissions and discussed them with the Executive Director and staff of the ORDC the proposed assistance; and

WHEREAS, on the basis of such review and discussions, the ORDC has determined that the provision of assistance to the Company, as set forth in the ORDC staff's submissions, is appropriate.

NOW, THEREFORE, BE IT RESOLVED by the ORDC of the State of Ohio:

Section 1. That the ORDC determines that the assistance proposed to be provided under the Act to assist the Company with the Rail Service Project (as defined below) is appropriate.

Section 2. That the ORDC approves the proposed assistance to the Company, the nature, amount and terms of which are summarized in Exhibit "A" attached hereto.

Moved By: _____
Seconded By: _____

Upon roll call, the vote resulted as follows:

James E. Betts, Chair	____	yes	____	no	____	absent	____	abstained	____ Recused
Barbara Hammontree Bennett	____	yes	____	no	____	absent	____	abstained	____ Recused
Jim Hartung	____	yes	____	no	____	absent	____	abstained	____ Recused
Solomon Jackson	____	yes	____	no	____	absent	____	abstained	____ Recused
Thomas McOwen	____	yes	____	no	____	absent	____	abstained	____ Recused
Eric Neff for Bruce Johnson	____	yes	____	no	____	absent	____	abstained	____ Recused
Dan Roberts	____	yes	____	no	____	absent	____	abstained	____ Recused
Larry Sowers	____	yes	____	no	____	absent	____	abstained	____ Recused
Herk Wolfe	____	yes	____	no	____	absent	____	abstained	____ Recused
Howard Wood for Gordon Proctor	____	yes	____	no	____	absent	____	abstained	____ Recused

ORDC ACTION: Motion Approved: _____ Other Action: _____
Motion Denied: _____ Date: November 9, 2006

CERTIFICATE

I, the undersigned Chairman of the ORDC, hereby certify that the foregoing is a true and correct record of the resolution of said ORDC.

_____ 11/9/06
James E. Betts, Chairman Date

EXHIBIT A

A grant to the Company in the amount up to Two Hundred Thousand Dollars ($200,000)(the "ORDC Grant") and a loan in an amount of up to Two Hundred Thousand Dollars ($200,000) (the "ORDC Loan") to assist with the construction of a turnout and three thousand feet of track (the "Rail Service Project") as defined herein pursuant to Section 4981.032 of the Ohio Revised Code at the Company's location at Rayland in Jefferson County. The terms of the ORDC Loan shall be determined by the Executive Director of ORDC.

The ORDC Grant and Loan are subject to the following conditions:

1. The Company must meet all standard ORDC program requirements, including any applicable prevailing wage provisions, in expending ORDC funds.

2. The Company shall execute and obtain such documents as are deemed necessary by the ORDC to evidence, close and secure the ORDC Loan.

PROJECT BRIEFING:
INDIANA EASTERN RAILROAD LOAN

November 1, 2006

Project Funding		Project Benefits
* ORDC Loan	$500,000	* Improves Safety of Ohio Track
* INRR Investment in Indiana	$200,000	* Improves Safety of Switching in Fernald
		* Maintains Class II Track/Service Velocity
		* Improves Development Potential in Fernald

INTRODUCTION

The Indiana Eastern Railroad, LLC (IERR) requests a loan of up to $500,000: 1) to rehabilitate its Ohio rail line from the Indiana – Ohio border (MP 33) to Milepost 28, a distance of five miles; and 2) to rehabilitate a run around siding and a wooden trestle at Fernald between MP 20 and MP 19 at the end of the line. The Staff recommended terms for the five year loan are 0% interest in year one with 2% interest for years two through five. At least $250,000 of the loan amount would be backed by a Letter of Credit or a Certificate of Deposit. For either collateral option, the total value would decline $50,000 a year provided IERR made all requisite loan repayments. However, Staff asks that the Commissioners empower the Executive Director to develop the final terms and conditions for the loan.

BACKGROUND

Line Description: IERR has a long term lease agreement with CSX Transportation to operate what CSX called the Richmond Subdivision from Richmond, Indiana (MP 61.9) to Fernald, Ohio (MP 18.9), a distance of 43 miles. The IERR commenced operations in late August, 2005. The IERR crosses the Ohio – Indiana border at Milepost 33.1. The IERR has only one interchange, with CSX at Cottage Grove, Indiana (MP 45) where the CSX Cincinnati to Indianapolis mainline crosses the IERR at grade. There are several interchange tracks at Cottage Grove and that is where the IERR operations are headquartered. Therefore, IERR trains serving Fernald (south of Cottage Grove) traverse the line between MP 45 at Cottage Grove and MP 18.9 at Fernald, a distance of 26.1 miles, of which 11.9 miles are in Indiana and 14.2 miles are in Ohio. Richmond is 16.9 miles north of the Cottage Grove so IERR service to Richmond has no impact on tracks needed to serve Ohio customers. The map included herein as Exhibit "A" shows the entire IERR operation.

The IERR line was formerly a Chesapeake & Ohio Railroad mainline. As such, the track includes heavy (115, 122, 131 lb.) welded rail and the curvatures are super-elevated for 50 MPH speeds. Crossing safety devices, where they exist, are calibrated for mainline speeds, not the 20 MPH speeds at which IERR operates. Bridges, except for a small wooden trestle in Fernald, are in good condition.

There are several customers on the 16.9 mile long Indiana portion of the line between the Cottage Grove interchange with CSX and Richmond including Cargill (grain and fertilizer) and Recycle Center (scrap steel). These customers generate over 2,000 carloads of freight a year.

On the 26.1 mile long Cottage Grove to Fernald segment of the track there are no rail users in Indiana. The IERR needs to traverse about 24 miles of track before reaching the first customer on this line segment, the US Department of Energy. USDOE has been sending significant carloadings of earth contaminated with radioactivity from a closed down weapons plant. USDOE is nearly finished with its clean up work and is in the process of ripping out the railroad track it had been using to load the contaminated earth onto rail cars. Two chemical plants are located near the end of the IERR line in Fernald, PCS Phosphates Company, and Nease Corporation. These companies employ about 125 people and have generated a total of just over 800 carloads of freight in the 14 month period from September, 2005, to October, 2006.

Overall Capital Improvement Needs: The IERR line is generally in FRA Class II condition but deteriorating tie conditions have resulted in IERR putting on 10 MPH slow orders for two sections of track between Cottage Grove and Fernald, at MP 33 to MP 28 on the Ohio side, and between MP 33 and MP 36.5 on the Indiana side. As with any rail operation, there are long term needs for new ties, raising, lining and tamping.

The super-elevation of the line in curves is causing excessive wear on the low side rail. Eventually, the super-elevation should be reduced or eliminated.

IERR has two GP 10 switching locomotives but needs to add to its motive power fleet. Currently, IERR operates out of a trailer but is in the process of buying and rehabilitating a house in Cottage Grove for railroad headquarters.

IERR Operations: IERR partners manage the railroad with the assistance of an on site General Manager. IERR has train crews for operations but contracts out for locomotive and track maintenance. As it grows, IERR plans to develop track maintenance capabilities and to buy some limited track maintenance equipment. IERR generally operates 3 days a week during daylight hours.

The IERR is a profitable operation. In its first 14 months of operation, it has demonstrated a willingness to invest in track repair and maintenance at a rate of over $11,000 per mile.

Development Opportunities in Ohio: IERR's existing chemical customers in Fernald both are expecting to increase rail use as their planned expansions come on line. In addition, there are several industrial sites with utilities in the Fernald area including: 1) a former Seagrams distillery site (200+ acres) which has utilities and an existing rail siding; 2) Liberty Park Place Industrial Park, an existing park with room (100+ acres) for expansion; and 3) the area around the former USDOE plant which is being cleaned up and has utilities. Further, there are several plants near the IERR line which could use IERR rail service either by transloading from a passing siding in Fernald (part of the proposed project is the repair of this track) or from new spurs off the IERR including Garden Street Metals and Schaeffer Pallet Company.

PROJECT DESCRIPTION

Track Improvements from MP 33 to MP 28: IERR has a 10 MPH slow order for its line between MP 31 and MP 36.5, of which 2.1 miles (MP 31 to MP 33.1) is in Ohio. In addition, the tie conditions from MP 28 to MP 31 in Ohio are such that issues are arising with poor cross level and gage. The ORDC funded project would include 700 ties per mile between MP 31 and 33 and 350 ties per mile between MP 28 and MP 31. In addition, the line would be ballasted, lined, and tamped. Total costs are estimated not to exceed $350,000. This project would eliminate the existing slow order in Ohio and improve line condition.

Run-Around Track and Trestle in Fernald: A sketch of the IERR Fernald area tracks is included herein as Exhibit "B". The method of switching the two chemical plants in Fernald the IERR inherited from CSX is less than optimal. The IERR mainline runs in a north – south direction where it ends in Fernald. The rail spurs for the two companies have their switches on the south end of their spurs with the spur tracks extending in a northern direction. Therefore, to switch cars into both plants, the locomotive pulls south past the turn outs into the spurs, and backs north into the spurs. This inbound move works fine because the train from Cottage Grove is traveling south with the locomotive in front, putting the locomotive in the proper position to back the cars into the spur tracks.

To switch cars out of the spurs, the locomotive would normally reverse the inbound move, i.e. pulling the cars out of the spur leaving the cars on the north side of the locomotive. This normal switch move does not work on the IERR in Fernald as track is currently configured. Currently, if the IERR locomotive pulls cars south out of the chemical plant spurs, it leaves the locomotive on the south of the cars. The problem is that the train needs to move north. The closest operable passing siding is over two miles north which would mean that IERR crews would have to push cars two miles over two public crossings to get to a location where the engine could run around the train and get on the north end. To avoid this pushing move, IERR crews (as did the CSX crews before them) do not use the locomotive to move cars at the Fernald chemical plants out of the spurs. The IERR instead parks the locomotive north of the chemical plants and moves the cars independent of the locomotive. There is a slight downward grade to the south at the site of the chemical plants so the IERR crews release the brakes on the cars, let them roll out of the spur tracks, across a major road (New Haven), stopping the cars with the hand brakes on the cars. The locomotive then backs down the track and hooks onto the cars from the north and the train is in position to proceed toward Cottage Grove. The IERR must flag the New Haven crossing with a person in the road during the locomotiveless car move. The New Haven crossing is also protected by flashing lights.

There is a half mile long passing siding located along side the IERR mainline at the site of the chemical plants but most of it is buried in mud and out of service. (A turn out and a few hundred feet of track at the south end are all that is in service.) The passing siding could be brought back into operation by installing a new turn out on the north end of the track, and rebuilding the out of service portion of the siding. With the run-around track in place, the IERR could use the locomotive for both spotting cars in and pulling cars out. When pulling cars out, the locomotive would merely pull the cars out, leave them on the mainline, and run around the train to get on the north end of the cars for the trip back to Cottage Grove.

In addition to the restoration of the passing siding, a short, out of service wooden trestle poses a problem. The Nease Corporation's rail spur is situated such that the IERR has only 3 or 4 car lengths (depending on the length of the cars) to the south of the spur to pull cars out before the locomotive or cars would traverse the out of service trestle. Beyond the trestle, IERR has room for additional 3 or 4 car lengths. Therefore, repairing the trestle would allow IERR to handle 6 or 8 cars in and out of Nease Corporation at one time instead of only 3 or 4 cars.

The total costs to repair the trestle and restore the runaround track are estimated not to exceed $150,000. Cost estimates for both the MP 28 to MP 33 track upgrade, and the Fernald area improvements are included as Exhibit "C".

IERR would contract out for all work to be completed and be responsible for maintenance. The work would be done this spring.

WHY ORDC FUNDING IS NEEDED

The low interest ORDC loan will help IERR repair problem track in Ohio and help it meet other capital needs that will help Ohio rail users. For example, IERR will invest $200,000 of its own funds this winter to repair track between MP 33.1 and MP 36.5, track which is located in Indiana, but which serves only Ohio rail users.

PROJECT BENEFITS

- The restoration of rail service on the passing siding in Fernald will eliminate a switching move which requires cars of hazardous materials and empty cars to roll across a busy road with a crew person on board using the hand brake on a car to stop the cars. In addition, the

restored passing siding could prove useful as a transload track for the development of new rail business.
- The repair of the out of service trestle will double the number of cars (from 3 or 4 to 6 or 8) IERR is able to switch in and out of Nease Corporation at one time.
- The track work in Ohio between MP 28 and MP 33 will make that track safer for the haulage of hazardous materials and other traffic.
- The track improvements will mean that IERR will save time, crew costs, and locomotive costs in the service of Ohio rail users.

OTHER CONTRIBUTIONS

Only ORDC and IERR funding will be used for the projects described herein.

SPECIAL CONTINGENCIES

Staff requests that Commissioners empower the Executive Director to develop the final terms and conditions for the loan. The low interest rates and methods of collateralizing the ORDC loan financing have been recommended by Staff because the IERR has committed to use the cost savings from ORDC terms to help undertake other projects in which ORDC will have no part. The Staff recommended terms are contingent upon IERR completing work in Indiana between MP 33.1 and 36.5 to eliminate an existing slow order which will solely benefit Ohio shippers and the IERR.

w:IndianaEasternBriefing

A

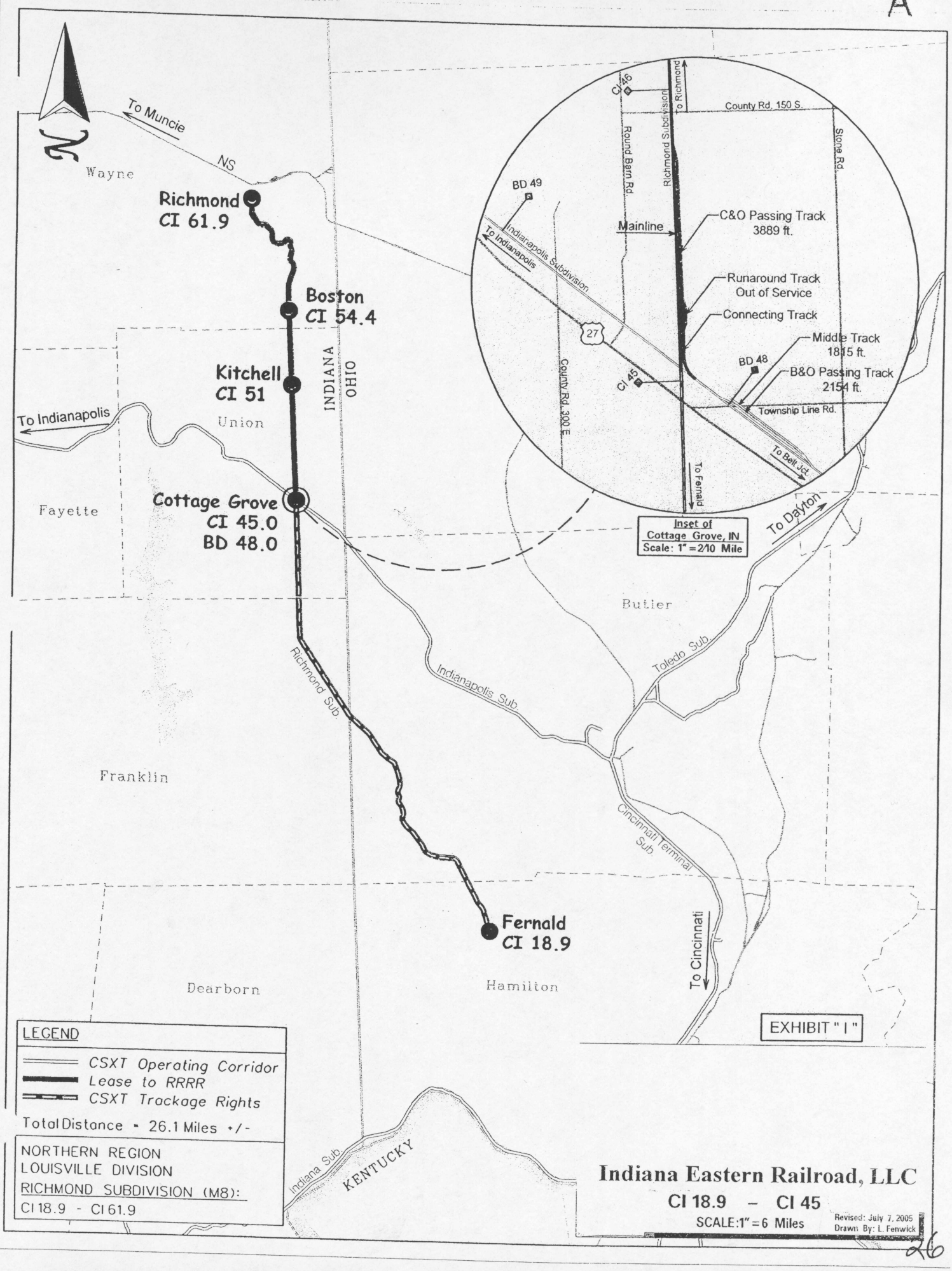


EXHIBIT "I"

LEGEND

CSXT Operating Corridor
Lease to RRRR
CSXT Trackage Rights

Total Distance - 26.1 Miles +/-

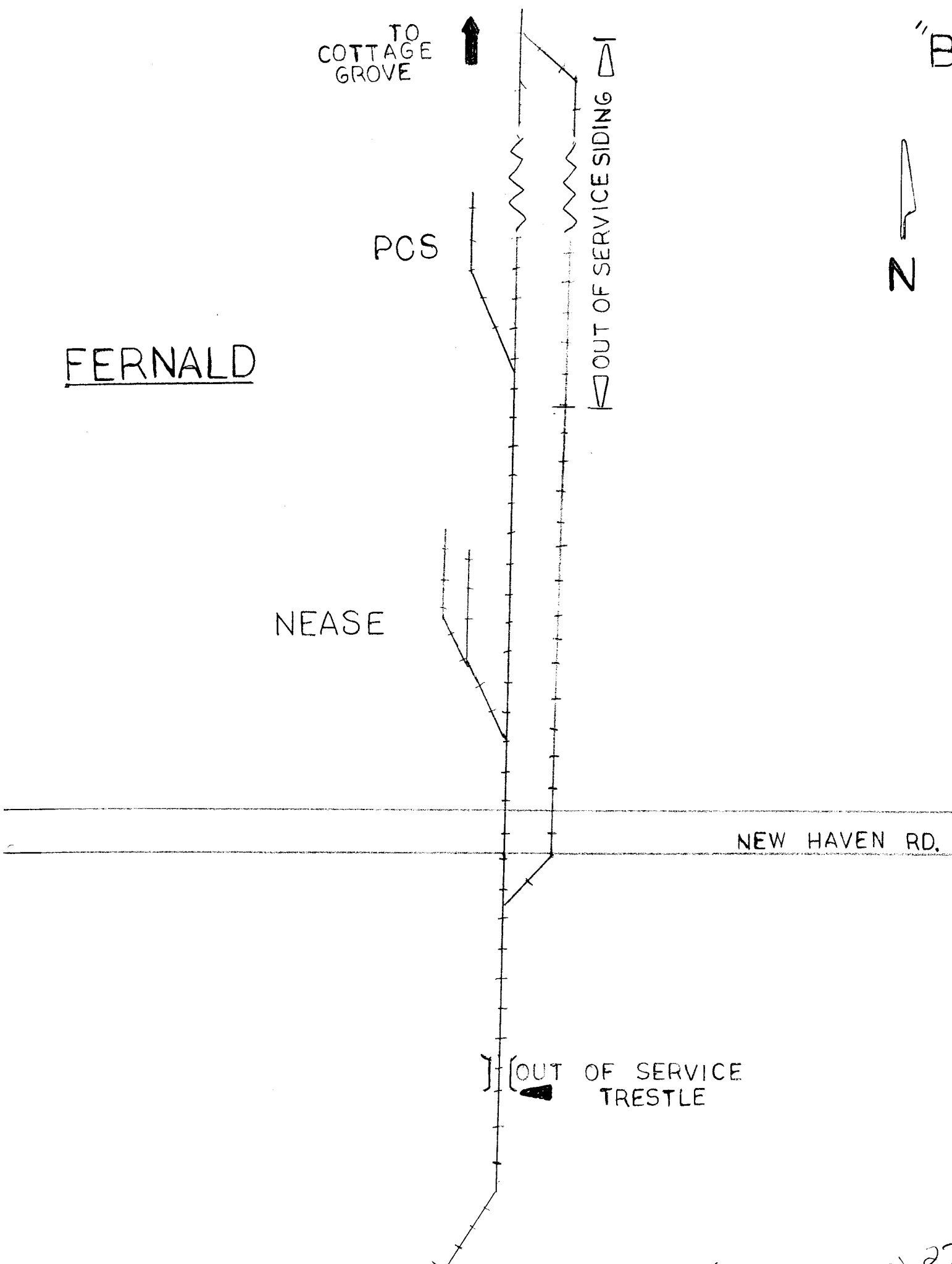
NORTHERN REGION
LOUISVILLE DIVISION
RICHMOND SUBDIVISION (M8):
CI 18.9 - CI 61.9

Indiana Eastern Railroad, LLC

CI 18.9 – CI 45

SCALE: 1" = 6 Miles

Revised: July 7, 2005
Drawn By: L. Fenwick


TO COTTAGE GROVE
PCS
OUT OF SERVICE SIDING
N
FERNALD
NEASE
NEW HAVEN RD.
OUT OF SERVICE TRESTLE
END OF LINE

(NOT TO SCALE)

C

INDIANA EASTERN RAILROAD- PROJECT COST ESTIMATES

ELEMENT	UNIT	UNIT COST	QUANTITY	EXTENSION
PROJECT 1- CROSS TIE REHAB				
7x9x8'6" GRADE 5 TIES INSTALLED	EACH	$100.00	2,450	$245,000
BALLAST	TONS	$15.00	2,000	$30,000
STRAIGHTEN, LINE, & TAMP	LF	$2.84	26,400	$75,000
TOTAL				$350,000
PROJECT 2- RUNAROUND TRACK				
6X8X8'6" GRADE 3 TIES INSTALLED	EACH	$90.00	700	$63,000
BALLAST	TONS	$15.00	1,400	$21,000
INSTALL TURNOUT	LS	$15,000	1	$15,000
REMOVE/REINSTALL TURNOUT	LS	$20,000	1	$20,000
BRIDGE REPAIR/REPLACEMENT	LS	$20,000	1	$20,000
STRAIGTHEN, LINE, TAMP	LF	$2.85	2,000	$5,700
ENGINEERING	LS	$5,300	1	$5,300
TOTAL				$150,000

RESOLUTION 06-14

RE: THE INDIANA EASTERN RAILROAD, LLC REHABILITATION LOAN

A RESOLUTION DETERMINING THE APPROPRIATENESS OF ASSISTANCE PROPOSED TO BE PROVIDED TO THE INDIANA EASTERN RAILROAD UNDER CHAPTER 4981 OF THE OHIO REVISED CODE.

WHEREAS, this Commission as the Ohio Rail Development Commission ("ORDC") created by Chapter 4981 of the Ohio Revised Code, has the responsibility of reviewing and making recommendations to ORDC staff with respect to the assistance under Chapter 4981 of the Ohio Revised Code (the "Act") proposed to be provided; and

WHEREAS, the ORDC has under consideration the provision of assistance under the Act to the Indiana Eastern Railroad, LLC (the "Company"); and

WHEREAS, the ORDC staff has submitted to this ORDC a Request for Assistance submitted by the Company; the determination of the Executive Director of the ORDC and the facts upon which such determination is based, that the proposed assistance will conform to the requirements of the Act and the terms of the proposed assistance; and

WHEREAS, the ORDC has reviewed such submissions and discussed them with the Executive Director and staff of the ORDC the proposed assistance; and

WHEREAS, on the basis of such review and discussions, the ORDC has determined that the provision of assistance to the Company, as set forth in the ORDC staff's submissions, is appropriate.

NOW, THEREFORE, BE IT RESOLVED by the ORDC of the State of Ohio:

Section 1. That the ORDC determines that the assistance proposed to be provided under the Act to assist the Company with the Rail Service Project (as defined below) is appropriate.

Section 2. That the ORDC approves the proposed assistance to the Company, the nature, amount and terms of which are summarized in Exhibit "A" attached hereto.

Moved By
Seconded By

Upon roll call, the vote resulted as follows:

James E. Betts, Chair	____	yes	____	no	____	absent	____	abstained	____ Recused
Howard Wood for Gordon Proctor	____	yes	____	no	____	absent	____	abstained	____ Recused
Barbara Hammontree Bennett	____	yes	____	no	____	absent	____	abstained	____ Recused
Eric Neff for Bruce Johnson	____	yes	____	no	____	absent	____	abstained	____ Recused
Solomon Jackson	____	yes	____	no	____	absent	____	abstained	____ Recused
Thomas McOwen	____	yes	____	no	____	absent	____	abstained	____ Recused
Larry Sowers	____	yes	____	no	____	absent	____	abstained	____ Recused
Herk Wolfe	____	yes	____	no	____	absent	____	abstained	____ Recused
Dan Roberts	____	yes	____	no	____	absent	____	abstained	____ Recused
Jim Hartung	____	yes	____	no	____	absent	____	abstained	____ Recused

ORDC ACTION: Motion approved Other action
Motion denied Date 11/9/06

CERTIFICATE

I, the undersigned Chairman of the ORDC, hereby certify that the foregoing is a true and correct record of the resolution of said ORDC.

_____ 11/9/06
James E. Betts, Chairman Date

EXHIBIT A

A loan in an amount of up to Five Hundred Thousand Dollars ($500,000) (the "ORDC Loan") to 1) to rehabilitate the Company's Ohio rail line from the Indiana – Ohio border at Milepost 33 to Milepost 28, a distance of five miles; and 2) to rehabilitate a run around siding and a wooden trestle at Fernald between Milepost 20 and Milepost 19 at the end of the line. The rehabilitation will consist the installation of 700 ties per mile between MP 31 and 33 and 350 ties per mile between MP 28 and MP 31. In addition, the line will be ballasted, lined, and tamped and a runaround track and trestle will be restored (the "Rail Service Project") as defined herein pursuant to Section 4981.032 of the Ohio Revised Code at the Company's location in Hamilton and Butler Counties. The terms of the ORDC Loan shall be determined by the Executive Director of ORDC.

The ORDC Grant and Loan are subject to the following conditions:

1. The Company must meet all standard ORDC program requirements, including any applicable prevailing wage provisions, in expending ORDC funds.

2. The Company shall execute and obtain such documents as are deemed necessary by the ORDC to evidence, close and secure the ORDC Loan.

PROJECT BRIEFING:
EMERGENCY TIE WORK ON OHIO CENTRAL MT. VERNON LINE

November, 1, 2006

Project Costs		Project Benefits
* ORDC Grant for Materials	$200,000	* Safety Ties For Continued Operation
* Ohio Central Installation	$207,838	* Helps Rail-Dependent Shippers Employing 200

INTRODUCTION

The Ohio Central Railroad (OCRR) requests a grant of up to $200,000 to purchase up to 6,000 cross ties and up to 126 switch ties which are needed to conduct safety tie work this autumn on its 25.9 mile long Newark to Mt. Vernon rail line. The OCRR would provide other materials including spikes and approximately 7,000 tie plates, as well as labor and equipment needed for installation, at a cost/value of approximately $207,838.

BACKGROUND

Line Description: The OCRR leases the Newark to Mt. Vernon Line from CSX. It took over operations on this line in October, 2004 in conjunction with its lease of the CSX line from Newark to Cambridge, and its acquisition of the 50% share which CSX had owned in the Columbus to Newark line. (For all intents and purposes, the State or Ohio/Ohio Rail Development Commission is the owner of the other 50% of this Columbus to Newark line which is part of the so-called "Panhandle" line.) A map of the Ohio Central lines in eastern Ohio, including the Panhandle line, is included herein as Exhibit "A".

While the Mt. Vernon line itself connects only to the OCRR yard, the Ohio Central System in eastern Ohio, including its Columbus & Ohio River Railroad operations on the Panhandle, allows traffic coming to or from the Mt. Vernon line to be handled through a variety of OCRR interchanges with Norfolk Southern, CSX, RJ Corman, and the Wheeling & Lake Erie Railway.

The Mt. Vernon line is 25.9 miles long, with MP 0.0 at the OCRR Newark Yard and MP 25.9 at the end of the line in Mt. Vernon. The rail on the line is almost entirely 100 lb. and was installed in the late 1920's and late 1940's. About 5 miles of the rail is welded. The rails are in safe and acceptable condition as are the bridges. The last major tie program on the Mt. Vernon Line occurred in 1982 so the tie condition is very poor. The line has 44 public at-grade crossings, most of which need to be upgraded due to both track and road conditions. Because the line parallels State Route 13 for a long distance, there are 31 private crossings, many of which are driveways into homes, businesses, and new developments. Many private crossings also need to be upgraded for both track and road conditions. Overall, track is in "Excepted" condition with train speeds below 10 MPH.

Operations: The current rail users are Weyerhaeuser (paper rolls, pulp) which is located about MP 23 in Mt.Vernon, and Central Ohio Farmers (grain and fertilizer) located at about MP 25, also in Mt. Vernon. The line currently generates about 1,800 carloads of freight a year. OCRR serves Mt. Vernon 3 times weekly.

Viability: Currently, OCRR operations over the Mt. Vernon line are at about break even, with OCRR showing a small loss for 2005. There is, however, very good upside potential on the line. The current customers have plans to increase rail traffic several hundred cars a year if good rail service can be provided by OCRR. Further, the line serves a developed industrial park, as well as several other industrial sites, in Mt. Vernon. Local economic development officials are working on locating two new rail-dependent companies in Mt. Vernon and on building a rail spur into a company already along the line but not now using rail.

PROJECT DESCRIPTION

Comprehensive Needs: Years of deferred maintenance by CSX have left the line in need of a comprehensive track rehabilitation project (or projects). OCRR estimates that $4,654,823 is needed to upgrade the line in the near future to ensure long term operations can continue. ORDC conducted its own analysis of track repair using an outside engineering consultant and concluded that track upgrade needs for the line are $3,496,794. A breakdown of the ORDC estimate is provided below.

ORDC Estimate of Comprehensive Repair Needs

Cross Tie Replacement	**31,400 ties**	**$58/tie**	**$1,821,200**
Switch Tie Replacement	**264 ties**	**$135/tie**	**$35,640**
Road Crossing Upgrades (High)	**620 feet**	**$900/ft.**	**$558,000**
Road Crossing Upgrades (Low)	**600 feet**	**$750/ft.**	**$450,000**
Ballast	**21,400 tons**	**$18/ton**	**$385,200**
Surfacing	**25.9 miles**	**$3,100 mi.**	**$80,290**
Bolt Tightening	**5,948 joints**	**$18/joint**	**$107,064**

Ditching	**5 miles**	**$11,880/mi.**	**$59,400**
Total			**$3,496,794**

OCRR, ORDC Staff, shippers, the Ohio Department of Development, the City of Mt. Vernon, Knox County, and Ohio legislative officials have been meeting and working to develop a plan to address the tremendous rehabilitation needs for the Mt. Vernon line. OCRR officials have indicated that it cannot operate for the long term on the line if major rehabilitation is not performed in the near term. OCRR has committed to being a partner with state and local officials but has stated that it can only invest what it can reasonably expect to get back in revenues over a reasonable length of time.

ORDC Staff believes funds needed for the comprehensive upgrading of the Mt. Vernon line might come from: future ORDC grants and loans; ORDC contributions to public crossing surface reconstruction in exchange for local officials closing crossings; ODOD grants and loans; rail user contributions either through loan repayments or direct contributions; local government contributions either through loan repayments or direct contributions; legislative action, or other related contributions.

Immediate Needs: OCRR officials project derailments and other operational problems will start occurring if current tie conditions on the Mt. Vernon line are not addressed immediately. OCRR estimates the following cross tie and switch tie installation is needed to continue short term rail operations safely:

OCRR Estimated Immediate Cross Tie/Switch Tie Improvement Needs

	Cross Ties
MP 4 to MP 5	**250 Ties**
MP 5 to MP 6	**250 Ties**
MP 6 to MP 7	**415 Ties**
MP 7 to MP 8	**330 Ties**
MP 8 to MP 9	**250 Ties**
MP 9 to MP 10	**415 Ties**
MP 10 to MP 11	**415 Ties**
MP 11 to MP 12`	**415 Ties**
MP 12 to MP 13	**420 Ties**
MP 13 to MP 14	**420 Ties**
MP 14 to MP 15	**420 Ties**
MP 15 to MP 16	**830 Ties**
MP 16 to MP 17	**420 Ties**
MP 17 to MP 18	**500 Ties**
MP 18 to MP 19	**250 Ties**
Total	**6,000 Ties**

	Switch Ties
North End of Tilden, #8	**18 Switch Ties**
Crossover, North Farmers, 2 #8	**36 Switch Ties**
South End Farmers, #8	**18 Switch Ties**
Weyerhaeuser, #10	**18 Switch Ties**
Industrial, #8	**18 Switch Ties**
St. Claire, #8	**18 Switch Ties**
Total	**126 Switch Ties**

OCRR estimates that it can purchase cross ties for $32.80 apiece and switch ties for an average of $45.50 apiece. Therefore, the cost of 6,000 cross ties and 126 switch ties would be:

6,000 Cross Ties	**X**	**$32.80/tie**	**=**	**$196,800**
126 Switch Ties	**X**	**$45.50/tie**	**=**	**$5,733**
Total				**$202,533**

The installation of switch ties will help support rail joints, keep proper gage, support heavy loads, and prevent derailments. It will also enable OCRR to operate at slightly faster speeds. OCRR would perform the work with its labor and equipment (valued at $172,788 i.e. $28 per cross tie and $38 per switch tie) and be responsible for continued maintenance of the emergency tie project. OCRR would absorb the costs for up to 7,000 relay tie plates (valued at $20,650) and 36,000 new spikes (valued at $14,400).

WHY ORDC FUNDING IS NEEDED

The revenues on the line do not support major investment in the track by the OCRR.

PROJECT BENEFITS

- Current rail users employing approximately 200 are dependent on rail for their future viability.
- Current plans for expansion by current rail users, along with probable new rail-dependent businesses locating facilities in Mt. Vernon in the next year, depend on effective OCRR rail service on the Mt. Vernon line.
- The safety of the OCRR operations will be markedly improved because of the new cross tie and switch tie installation.

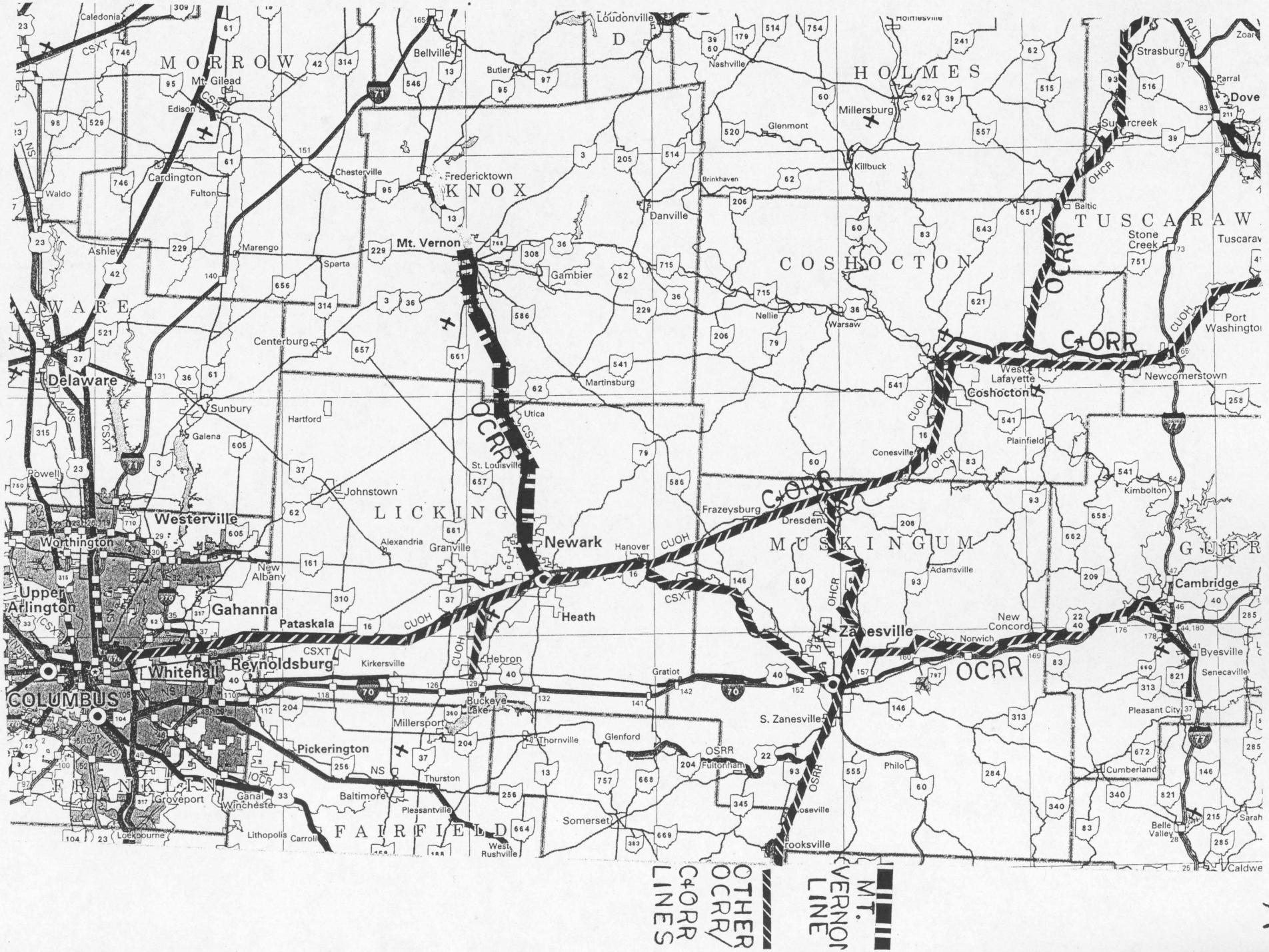
OTHER CONTRIBUTIONS

The OCRR will contribute an estimated $207,838 for materials, labor, and equipment to perform the project.

SPECIAL CONTINGENCIES

The current emergency tie program is a first step toward a comprehensive rehabilitation of the Mt. Vernon line. The full, comprehensive upgrading of the line will require a state-local-railroad-shipper partnership. ORDC Staff is leading efforts to assemble such a partnership.

w:Mt.VernonLineBrief


MORROW
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TUSCARAWAS
MUSKINGUM
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FRANKLIN
FAIRFIELD
Mt. Vernon
Newark
Zanesville
Cambridge
Coshocton
Delaware
Westerville
Gahanna
Upper Arlington
Whitehall
Reynoldsburg
Pataskala
Heath
Hebron
Buckeye Lake
Pickerington
Canal Winchester
Groveport
Lockbourne
Lithopolis
Baltimore
Pleasantville
Somerset
Thurston
Millersport
Kirkersville
Granville
Alexandria
Johnstown
Centerburg
Sunbury
Galena
Powell
Worthington
New Albany
Hartford
Utica
St. Louisville
Martinsburg
Frazeysburg
Dresden
Hanover
Gratiot
S. Zanesville
Norwich
New Concord
Adamsville
Nellie
Warsaw
Gambier
Danville
Brinkhaven
Killbuck
Millersburg
Glenmont
Nashville
Loudonville
Bellville
Butler
Mt. Gilead
Edison
Cardington
Waldo
Fulton
Chesterville
Fredericktown
Ashley
Marengo
Sparta
Conesville
Plainfield
West Lafayette
Newcomerstown
Port Washington
Stone Creek
Baltic
Strasburg
Sugarcreek
Dover
Kimbolton
Byesville
Senecaville
Pleasant City
Cumberland
Belle Valley
Philo
Fultonham
Thornville
Glenford
Crooksville
Roseville
Norwich
Caledonia
Zoar
Parral
Tuscarawas
Sarah
Caldwell
CSXT
NS
OCRR
C&ORR
CUOH
OHCR
OSRR
I-70
I-77
OTHER OCRR/C&ORR LINES
MT. VERNON LINE

17

35

"A"

RESOLUTION 06-15

Re: Ohio Central Railroad Mount Vernon Track Rehabilitation Grant

A RESOLUTION DETERMINING THE APPROPRIATENESS OF ASSISTANCE PROPOSED TO BE PROVIDED TO THE OHIO CENTRAL RAILROAD UNDER CHAPTER 4981 OF THE OHIO REVISED CODE.

WHEREAS, this Commission as the Ohio Rail Development Commission ("ORDC") created by Chapter 4981 of the Ohio Revised Code, has the responsibility of reviewing and making recommendations to ORDC staff with respect to the assistance under Chapter 4981 of the Ohio Revised Code (the "Act") proposed to be provided; and

Whereas, the ORDC has under consideration the provision of assistance under the Act to the Ohio Central Railroad (the "Company"); and

WHEREAS, the ORDC staff has submitted to this ORDC the Request for Assistance submitted by the Company; the determination of the Executive Director of the ORDC and the facts upon which such determination is based, that the proposed assistance will conform to the requirements of the Act, and the terms of the proposed assistance; and

WHEREAS, the ORDC has reviewed such submissions and has discussed with the Executive Director and staff of the ORDC the proposed assistance; and

WHEREAS, on the basis of such review and discussions, the ORDC has determined that the provision of assistance to the Company, as set forth in the ORDC staff's submissions, is appropriate.

NOW, THEREFORE, BE IT RESOLVED by the ORDC of the State of Ohio:

Section 1. That the ORDC determines that the assistance proposed to be provided under the Act to the Company to assist the Company with the Rail Service Project (as defined below) is appropriate.

Section 2. That this ORDC recommends to the ORDC staff that the proposed assistance to the Company, the nature, amount and terms of which are summarized in Exhibit "A" attached hereto, be approved.

Moved By
Seconded By

Upon roll call, the vote resulted as follows:

James E. Betts, Chair	____	yes	____	no	____	absent	____	abstained	____	Recused
Howard Wood for Gordon Proctor	____	yes	____	no	____	absent	____	abstained	____	Recused
Barbara Hammontree Bennett	____	yes	____	no	____	absent	____	abstained	____	Recused
Eric Neff for Bruce Johnson	____	yes	____	no	____	absent	____	abstained	____	Recused
Solomon Jackson	____	yes	____	no	____	absent	____	abstained	____	Recused
Thomas McOwen	____	yes	____	no	____	absent	____	abstained	____	Recused
Larry Sowers	____	yes	____	no	____	absent	____	abstained	____	Recused
Herk Wolfe	____	yes	____	no	____	absent	____	abstained	____	Recused
Dan Roberts	____	yes	____	no	____	absent	____	abstained	____	Recused
Jim Hartung	____	yes	____	no	____	absent	____	abstained	____	Recused

ORDC ACTION: Motion approved Other action
Motion denied Date 11-9-06

CERTIFICATE

I, the undersigned Chairman of the ORDC, hereby certify that the foregoing is a true and correct record of the resolution of said ORDC.

11-9-06
James E. Betts, Chairman Date

EXHIBIT A

A Grant in an amount of up to Two Hundred Thousand Dollars ($200,000) to the Company pursuant to Section 4981.032 of the Ohio Revised Code for the Project as defined herein (the "ORDC Grant"). The ORDC Grant shall be used to purchase up to 6,000 cross ties and up to 126 switch ties which are needed to conduct safety tie work this autumn on the Company's 25.9 mile long Newark to Mt. Vernon rail line in Licking and Knox Counties, Ohio ("Rail Service Project").

The ORDC Grant is subject to the following conditions:

1. The Company shall provide any additional monies in excess of the ORDC Grant required to complete the Rail Service Project.

2. All workers employed on the Rail Service Project shall be paid prevailing wages by the Company.

3. The Company shall provide the ORDC with access to, and a right to inspect, all real and personal property constituting the Rail Service Project.

APPROVED PROJECT BRIEFING
ENGAGE PUBLIC AFFAIRS, LLC
October 11, 2006

Project Funding: Increase total compensation by $8,360

At the November 10, 2005 Commission meeting, staff presented an approved project briefing for a personal service contract with ENGAGE PUBLIC AFFAIRS, LLC in the amount of Forty-Three Thousand, Eight Hundred and Ten Dollars ($43,810) for fiscal year 2006 and 2007.

This Approved Project Briefing covers a second amendment to the contract and increases the total compensation to Fifty-Two Thousand, One Hundred and Seventy Dollars ($52,170) with Twenty-Two Thousand, Nine Hundred and Seventy-One Dollars ($22,871) encumbered for Fiscal Year 2007. The amended scope of services below provides a detailed breakdown of the increased cost of the work to be covered under the amended contract.

Objectives:

- Ensure economic impact and feasibility analyses reflect community input
- Ensure study results are communicated in concise, understandable language
- Develop relationships with those who don't yet know about the Ohio Hub

Stakeholders/Target Audiences:

- Businesses potentially benefiting from improved freight rail (logistics, commodities, port authorities, etc.)
- Potential riders/beneficiaries of passenger rail riders (tourism, universities, airports, etc.)
- Metropolitan Planning Organizations
- Cities/counties/chambers/elected officials located along proposed rail lines

ENGAGE Services:

- Public/Agency Involvement as Directed: Coordinate/facilitate the Columbus community survey/focus group and attend two additional community survey/focus group meetings (36 hours).
- Provide assistance with preparing materials summarizing study results in concise, understandable language; continue to pursue resolutions of support (16 hours).
- Facilitate sessions to review study findings (GEM, TEMS meetings – 8 hours)
- Administration (8 hours)

TOTAL Hours: 68 hours @ $120/hour = $8,160
TOTAL Expenses = $200
TOTAL: $8,360

Ohio Rail Development Commission

50 West Broad Street, Suite 1510, Columbus, Ohio 43215
614-644-0306 (telephone) • 614-728-4520 (fax) • www.dot.state.oh.us/ohiorail

October 11, 2006.

Pursuant to Ohio Rail Development Commission Resolution 99-15 "Spending and Signatory Guidelines," the undersigned hereby approves of the project described in the Approved Project Briefing entitled **ENGAGE PUBLIC AFFAIRS, LLC** and dated October 11, 2006 as described in that briefing.

Matthew R. Dietrich
Acting Executive Director

James E. Betts
Chairman

APPROVED PROJECT BRIEFING:
MEDINA COUNTY RAILROAD-HIGHWAY GRADE CROSSING
WARNING DEVICE UPGRADES
LOAN PROJECT
November 1, 2006

Project Costs*

- **PUCO - $334,125**
- **CSX - $49,500**
- **Medina County - $111,375**

***These represent estimates based on preliminary engineering.**

Project Benefits

- **3 New Light & Gate Installations at Medina County Railroad Crossings**

INTRODUCTION

The Medina County Railroad Safety Task Force has requested ORDC loan assistance in the amount of $81,375 to help fulfill a temporary gap in the local match to it complete three (3) rail-highway grade crossing safety projects in Medina County.

RAIL PROJECT

The Medina County Railroad Safety Task Force, organized in 2002 to evaluate the County's 108 crossings, worked with the Public Utilities Commission of Ohio, the North American Railway Foundation and the Angels on Track Foundation to fund three (3) rail-highway grade crossing upgrades in 2006. Those crossings are Wolff Road/T94, Carlton Road/T161 and Kennard Road/CR 78. This project was funded through the standard State-funded PUCO 90/10 split with the railroad providing 10% of the necessary funding. The breakdown of the costs for each project is listed in the attached PUCO letter (Exhibit A).

For the Local Highway Authority share, the County, received grants from the North American Railway Foundation ($10,000 per crossing) and the Angels on Track Foundation ($27,125). While the Angels on Track Foundation approved the funding for the grade crossings in 2006, its reimbursement for the projects will be available in increments of $27,125 in 2007, 2008, and 2009.

WHY ORDC FUNDING IS NEEDED

The no interest loan will be amortized with a reimbursement schedule that will match the planned payments received by the County from the Angels on Track Foundation. The County can then fulfill all of its obligations to complete these projects in a timely manner. Please note that the County will still be responsible for all of the funds provided by the ORDC regardless of reimbursement level from the Angels on Track Foundation.

The ORDC originally received this request in June, 2006. Because of the progression of the project at that time, Federal Highway Administration safety funds were precluded from use on this project. After discussions with the County a commitment letter was sent to Medina County on July 7, 2006 (copy attached), with the final application to the ORDC received on October 30, 2006.

ORDC funding in the project will assist the Medina County Railroad Safety Task Force to perform grade crossing upgrades in their community now while still utilizing a variety of available grade crossings safety resources. Staff recommends a loan in an amount up to $81,375 at zero percent (0%) for three (3) years for this project.

MEDINA COUNTY
RAILROAD SAFETY TASK FORCE

MEMBERS:

Pat Geissman, Chair	Nino Piccoli
Charles "Buck" Adams	Charles Potter
Frank Ehrman	David Riffer
Christina Favitta	Mike Salay
Lee Geissman	Robert Smykal
Neil Hassinger	Patrice Theken
Darrell Kent	Greg Westover
William Koran	

RECEIVED
ORDC
06 JUL -5 PM 1:49

June 29, 2006

Jim Seney, Executive Director
Ohio Railroad Development Commission
50 W. Broad Street, Suite 1510
Columbus, OH 43215

Dear Mr. Seney:

It has come to my attention that the ORDC may be able to help the Medina County Railroad Safety Task Force with a funding dilemma.

The Medina County Railroad Safety Task Force was organized in 2002 to evaluate and upgrade safety devises at our 108 crossings. The Task Force has been successful working with the PUCO, the North American Railway Foundation, and The Angels on Track Foundation in acquiring funding for gates and lights. Three of our most dangerous, unprotected crossings were completed in 2005 through their support.

Our 2006 improvements at three crossings have been approved by the PUCO at 75% funding of the 90% remaining after the railroad's responsibility of 10%. We also, again, have a commitment from the North American Railway Foundation for $10,000 for each of the three improvements. However, we have been informed by The Angels on Track Foundation that they may approve funding for gates and lights for the 2006 crossings, but payments would not be available until 2007, 2008 and 2009. I understand that this is a result of The Angels on Track Foundation's new funding policy that allows support for only one crossing per year. At this writing, we do have a commitment from The Angels on Track Foundation for any of our 2006 projects.

I have already received the first invoices for our present improvements. It would be a true hardship financially to pay all invoices considering The Angels on Track's new guidelines recently communicated to us.

If you have the ability to help Medina County fund these improvements, it would be very much appreciated.

Sincerely,

Pat Geissman

Patricia G. Geissman
Medina County Commissioner
Medina County Railroad Safety Task Force Chair

c: PUCO, NARF, The Angels on Track Foundation

Att.

The Public Utilities Commission of Ohio

Monitoring marketplaces and enforcing rules to assure safe, adequate, and reliable utility services

RECD [illegible] COUNTY COMMISSIONERS
2005 JUL 29 PM 10:43

Bob Taft, Governor
Alan R. Schriber, Chairman

Commissioners
Ronda Hartman Fergus
Judy A. Jones
Donald L. Mason
Clarence D. Rogers, Jr.

June 22, 2005

Mrs. Pat Geissman, Chair
Medina County
Railroad Safety Task Force
Medina County Administration Building
144 N. Broadway Street
Medina, Ohio 44256

RE: CSXT Grade Crossings in Medina County: Wolff Rd./T94 9141-906V), Carlton Rd./T161 (142-496C) and Kennard Rd./CR78.

Dear Mrs. Geissman:

The Commission has completed the field surveys for the above-mentioned grade crossings and submits the following proposals to upgrade their warning devices.

The standard apportionment for upgrading warning devices is a 90/10 split to the Local Highway Authority (LHA) and the railroad, respectively. The Commission will then assist the LHA with a percentage of their apportionment costs. The railroad becomes responsible for all maintenance expenses thereafter. Based upon the preliminary cost estimates provided by the railroad, the funding breakdown would be:

1.) ***Wolff Rd./T94 (141-906V)***
@$165,000
York TWP share @ 90%= $148,500
PUCO assist @ 75% a further breakdown:

PUCO assist (75% of 90%)	$111,375
Township's share (25%of 90%)	$37,125
CSXT (10% of 100%)	$16,500
	$165,000

2.) ***Carlton Rd./T161 (142-496C)***
@$165,000
Lafayette TWP share @ 90%=$148,500
PUCO assist @ 75% a further breakdown:

PUCO assist (75% of 90%)	$111,375
Township's share (25% of 90%)	$ 37,125
CSXT (10% of 100%)	$ 16,500
	$165,000

3,) ***Kennard Rd./CR78 (142-508U)***
@$165,000
Medina County share @ 90% =$148,500
PUCO assist @ 75% a further breakdown

PUCO assist (75% of 90%)	$111,375
County's share (25% of 90%)	$37,125
CSXT (10% of 100%)	$16,500
	$165,000

Group Total) ***Three Grade Crossings***
@ $495,000
Locals share @ 90% = $445,500
PUCO assist @ 75% a further breakdown:

PUCO assist (75% of 90%)	$334,125
LHAs' share (25% of 90%)	$111,375
CSXT (10% of 100%)	$ 49,500
	$495,000

Please note that the foregoing proposals contain only ballpark estimates, and are provided to assist the LHAs in their evaluation of these projects.

Please contact us by July 15, 2005, if they accept or reject any or all of the proposals. We look forward to assisting these LHAs in developing safer highway-railroad grade crossings for their citizens.

Sincerely,

Bonnie J Johrendt

Bonnie J Johrendt
Grade Crossing Planner
Rail Division
(614) 466-0435

c: Mel McNichols, CSXT
File

Ohio Rail Development Commission

50 West Broad Street, Suite 1510, Columbus, Ohio 43215
614-644-0306 (telephone) • 614-728-4520 (fax) • www.dot.state.oh.us/ohiorail

November 9, 2006

Pursuant to Ohio Rail Development Commission Resolution 99-15 "Spending and Signatory Guidelines," the undersigned hereby approves of the project described in the Approved Project Briefing entitled **MEDINA COUNTY RAILROAD-HIGHWAY GRADE CROSSING WARNING DEVICE UPGRADES** and dated November 1, 2006 as described in that briefing.

Matthew R. Dietrich
Acting Executive Director

James E. Betts
Chairman